

Corrected Exhibit 3



IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

NETLIST, INC., (CAUSE NO. 2:21-CV-463-JRG
)
Plaintiff, ()
vs. ()
SAMSUNG ELECTRONICS CO., LTD., ()
et al., () MARSHALL, TEXAS
(APRIL 14, 2023
Defendants.) 9:00 A.M.

VOLUME 1

TRIAL ON THE MERITS

BEFORE THE HONORABLE RODNEY GILSTRAP
UNITED STATES CHIEF DISTRICT JUDGE
and a jury

SHAWN McROBERTS, RMR, CRR
100 E. HOUSTON STREET
MARSHALL, TEXAS 75670
(903) 923-8546
shawn_mcroberts@txed.uscourts.gov

A P P E A R A N C E S

FOR THE PLAINTIFF: IRELL & MANELLA, LLP -
LOS ANGELES
1800 AVENUE OF THE STARS
SUITE 900
LOS ANGELES, CA 90067-4276
(310) 203-7096
BY: MR. JASON SHEASBY
 MS. LISA GLASSER

McKOOL SMITH, P.C. - MARSHALL
104 E. HOUSTON ST., SUITE 300
MARSHALL, TEXAS 75670
(903) 923-9000
BY: MR. SAM BAXTER
 MS. JENNIFER TRUELOVE
 MR. KEVIN BURGESS

FOR THE DEFENDANTS: FISH & RICHARDSON, PC -
WASHINGTON DC
1000 MAINE AVE. SW, SUITE 1000
WASHINGTON, D.C. 20024
(202) 783-5070
BY: MR. RUFFIN CORDELL
 MR. MICHAEL McKEON

GILLAM & SMITH, LLP
303 SOUTH WASHINGTON AVENUE
MARSHALL, TEXAS 75670
(903) 934-8450
BY: MS. MELISSA SMITH

OFFICIAL REPORTER: SHAWN M. McROBERTS, RMR, CRR
100 E. HOUSTON STREET
MARSHALL, TEXAS 75670
(903) 923-8546

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1 THE COURT: Thank you. Be seated, please.

2 Good morning, ladies and gentlemen. Thank you for being
3 here.

4 My name is Rodney Gilstrap, and I am the chief United
5 States district judge for the U.S. District Court for the
6 Eastern District of Texas. I have lived in Marshall since
7 1981. I practiced law in and around this community for 30
8 years before I was appointed to the bench here in 2011.

9 They say that confession is good for the soul so I'll
10 start with a confession. I was not born in Texas, but I got
11 here as quick as I could. I came to Texas at the ripe old age
12 of 18 to enroll as a freshman at Baylor University in Waco. I
13 finished my undergraduate degree there, and then I attended
14 and graduated from Baylor law school.

15 I am married. My wife and I had two grown children. We
16 lost one about six months ago. We have several wonderful
17 grandchildren. My wife owns and operates a retail floral
18 business here in Marshall, and she's done that for more than
19 the last 15 years.

20 Now, I tell you all those things about myself because in
21 a few minutes I'm going to ask each of you to give me the same
22 type information about yourselves, and I think you're entitled
23 to know as much about me as I'm about to find out from each of
24 you-all.

25 We are about to engage in the selection of a jury in a

1 DDR4 and DDR5, it was March and May of 2021.

2 Q. And just to level-set on that, you were here in Court,
3 Mr. Kennedy, when Judge Gilstrap explained to the jury that it
4 had been determined that Samsung no longer had a license after
5 July of 2020. Is that where that date is coming from?

6 A. Yes, that's correct.

7 Q. Now, is there a set of factors that courts have laid out
8 to aid experts like yourself in performing this analysis?

9 A. Yes. They're called the *Georgia-Pacific* factors, named
10 after a well-known patent case years ago, and it outlines 15
11 factors that experts need to consider to determine damages.

12 Q. What are the first three factors that you focused on for
13 your work?

14 A. So 1 and 2 relate to any licensing history that the
15 parties might have that might be relevant to the hypothetical
16 negotiation.

17 And factor No. 5 is something where we have to consider
18 the commercial relationship between the licensor and licensee
19 at the time of this hypothetical negotiation.

20 Q. Mr. Kennedy, when you reviewed all of the facts and
21 documents in the case, what did you find to be the most
22 significant facts regarding the parties' licensing history and
23 their relationship?

24 A. Well, Netlist has never licensed its patents outside of a
25 strategic agreement, and that's really important because in

1 the hypothetical negotiation there is no strategic agreement.
2 Samsung needs a license to the patents, and they are not
3 giving anything in return for that except royalties.

4 Q. And could you go on and describe what other additional
5 significant facts you found?

6 A. So the JDLA included a cross license, and that means that
7 Netlist got a license to all of Samsung's patents, and they
8 also got this highly valuable supply agreement.

9 Q. And -- I'm sorry. Go on, Mr. Kennedy.

10 A. Sure. And one other factor that I considered was the
11 fact that Samsung entered into a license in a very similar
12 situation as this situation, and it involved memory patents
13 and they agreed to pay up to \$1.1 billion plus give a cross
14 license to Rambus to their patents.

15 Q. So at a high level, what was the impact of these on how
16 you're thinking about the parties approaching a hypothetical
17 negotiation?

18 A. So these are all important factors that place upward
19 adjustment on the royalty rate, significant upward adjustment.

20 Q. So let's turn to each of them in turn. You mentioned
21 that Netlist never previously has licensed or never in the
22 real world has licensed its patents outside of a strategic
23 relationship. What was significant to you in particular about
24 the JDLA relationship?

25 A. So this is some deposition testimony from Samsung's

1 president of memory, and he was told to look into any
2 feasibility of a technological collaboration with Netlist.
3 And that's significant because Samsung is the largest memory
4 company in the world, and they're coming to Netlist for help
5 to this technology. So that would definitely have a
6 significant upward adjustment to the royalty rate at the
7 hypothetical negotiation. Samsung really needs Netlist
8 technology.

9 Q. Now, did you see evidence that Samsung was aware that
10 Netlist had important patents?

11 A. Yes, I did.

12 Q. Now, I know the jury has seen these a number of times.
13 Are these some of the examples on the screen here of the
14 evidence that Samsung was aware of the Netlist patents and
15 pending applications?

16 A. Yes.

17 Q. Now, you mentioned that the JDLA included, I think you
18 used the phrase, a highly valuable supply obligation. Is that
19 right?

20 A. Yes.

21 Q. And were you able to review the records of the parties to
22 understand the quantities of supply that were exchanged when
23 the JDLA was first put in place?

24 A. Yes, I was.

25 Q. And what is the particular example that we're looking at

1 on the screen?

2 A. This is an email from Netlist to Samsung. And after the
3 JDLA was entered into, about a year later, they were
4 requesting \$15 million for a quarter, and that was in June of
5 2017.

6 Q. So we're talking about greater than a 60 million pace at
7 that point in time at about a year after the agreement was
8 implemented?

9 A. Yes.

10 Q. Now, again, the Court instructed the jury that the JDLA
11 terminated back in 2020. What did Netlist do at that point?

12 A. So they went to find another source of supply and entered
13 into another strategic agreement with SK hynix.

14 Q. And is this the second time you were referring to earlier
15 that Netlist agreed to license its patent portfolio?

16 A. Yes.

17 Q. What were the key terms of those hynix agreements that
18 were executed together?

19 A. So based on my review, the most important aspect of the
20 agreement was that Netlist was able to replace the supply
21 commitment that they no longer had with a \$600 million supply
22 commitment from SK hynix for a five-year period of time.

23 And SK hynix also paid Netlist \$40 million, and there was
24 a cross license to Netlist and SK hynix's patents.

25 Q. Now, based on your analysis, was the value of the supply

1 A. Yes.

2 Q. All right. Now, both parties would know a lot about each
3 other at this negotiation. Right?

4 A. Yes.

5 Q. And one of the things they would know is any other
6 agreements that might be relevant out there. Right?

7 A. Yes.

8 Q. Now, before we get into that, I'd like to just frame up
9 kind of what we're talking about. Well, let's do those
10 agreements right now. I'm sorry.

11 Netlist has licensed the patents in this case in two
12 agreements. Correct?

13 A. As part of two agreements, yes.

14 Q. That would be the JDLA that they -- the agreement they
15 had with Samsung. Right?

16 A. Yes.

17 Q. And the agreement they had with SK hynix. Correct?

18 A. Yes.

19 Q. And in both of those agreements, Netlist licensed every
20 patent that they owned. Right?

21 A. Yes.

22 Q. And in the JDLA at the time, it was about 87 patents. Is
23 that right?

24 A. That sounds about right.

25 Q. And the terms of the JDLA required Samsung to pay Netlist

1 \$8 million. Right?

2 A. Yes.

3 Q. And there's also the SK hynix agreement. You're familiar
4 with that one. Right?

5 A. Yes.

6 Q. JDLA was done in 2015. Is that right?

7 A. Yes.

8 Q. And SK hynix, that agreement was done in 2021. Right?

9 A. Yes.

10 Q. And the SK hynix agreement licensed all of Netlist's
11 patents to SK hynix. Right?

12 A. Yes. That was part of the agreement.

13 Q. And in 2021, that was about 120 patents. Right?

14 A. Yes.

15 Q. Okay. And Samsung and SK hynix are competitors. I think
16 you testified about that. Right?

17 A. Yes.

18 Q. They both sell DDR4 products. Right?

19 A. Yes.

20 Q. Both Samsung and hynix sell DDR5 products. Right?

21 A. Yes.

22 Q. SK hynix and Samsung sell HBM products. Right?

23 A. Correct.

24 Q. Those are all the products that are at issue in this
25 case. Right?

1 A. Yes.

2 Q. Okay. So let me -- before we get into the nitty-gritty,
3 let me see if I can frame this up. And let's start with the
4 damages that you have opined about in this case. So let's
5 call this Mr. Kennedy.

6 MR. CORDELL: Your Honor, may I move this forward?

7 THE COURT: You may. Move it up near the elmo.

8 MR. CORDELL: Thank you.

9 Can you hear me all right?

10 THE COURT: Mr. Kennedy, can you hear him?

11 THE WITNESS: Yes, sir.

12 Q. (BY MR. CORDELL) Now, there are three different classes
13 of products. Let me make sure I get all this right. We have
14 DDR4, we have DDR5, and we have HBM. Is that right?

15 A. Yes.

16 Q. I apologize about my handwriting again.

17 And the years of the damages that you have talked about
18 in this case are a little bit different for each of the
19 products. Right?

20 A. Yes.

21 Q. So for DDR4, when does the damages start on DDR4?

22 A. That's at the termination of the JDLA, which was July, I
23 believe, of 2020.

24 Q. Would you believe that it was in December of 2021?

25 A. Yes.

1 MS. GLASSER: Actually, can we have a sidebar, Your
2 Honor?

3 THE COURT: Approach the bench.

4 (The following was had outside the hearing of the
5 jury.)

6 MS. GLASSER: My concern is that he is correct that
7 the number he -- he said the wrong date, but he mixed up
8 something. But now he just threw out a completely different
9 date that has to do with a separate period of damages that is
10 not when the hypothetical negotiation is taking place. So I
11 guess I'm not sure where he's going with --

12 THE COURT: If we're talking about the JDLA, I've
13 told the jury that it was no longer effective in July of 2022.

14 MR. CORDELL: We're not, Your Honor.

15 THE COURT: '21.

16 MR. CORDELL: '21. 2020.

17 MS. GLASSER: If it was the issue date of the
18 patent, then I would be okay with it if that's what it is, but
19 --

20 MR. CORDELL: No. No.

21 THE COURT: Let's start over. What's the problem?

22 MS. GLASSER: It sounds like he's introducing
23 something having to do with a different damages period or a
24 different hypothetical negotiation date than what is actually
25 at issue. But I could be wrong. Maybe he can reassure me

1 where he's going with it. But that wasn't the hypothetical
2 negotiation date or the JDLA date, and so it seemed to me like
3 it might be going in a wrong direction.

4 THE COURT: All right. Can you respond to that, Mr.
5 Cordell?

6 MR. CORDELL: Yes, Your Honor. First of all, this
7 witness should know. You can see him over there looking it up
8 right now.

9 The damages period he opined about is the damages period
10 he opined about. The correct damages period begins at
11 December of 2021 when the complaint was filed. Your Honor
12 ruled on that at the pretrial. For these two patents, it's
13 December of 2021.

14 For HBM, it began in May when they filed the amended
15 complaint. So I'm entitled to get from him what his opinion
16 is about when the damages started. I'll refresh him if he
17 can't remember, but he should remember. It has nothing to do
18 with the hypothetical negotiation --

19 MS. GLASSER: Do you intend to talk about how he
20 calculates that number for the revenue? Is that --

21 THE COURT: All right. Just -- just stop. There's
22 not an objection up here. We're not here to have a
23 conversation. Let's go forward. Okay?

24 MR. CORDELL: Thank you, Your Honor.

25 MS. GLASSER: Thank you.

1 (The following was had in the presence and hearing
2 of the jury.)

3 Q. (BY MR. CORDELL) All right, Mr. Kennedy. Do you
4 remember the question?

5 A. Yes, I believe so.

6 Q. When do your damages period begin for DDR4?

7 A. When the JDLA was terminated.

8 Q. Okay. So are you sure about that, sir?

9 A. I can check in my report to make sure.

10 Q. Why don't you check? Because I think it's December of
11 2021, not July of 2020. And that's about a year and a half
12 difference.

13 A. To save time, do you want to direct me to it, or do you
14 wish for me to look for it?

15 Q. Well --

16 A. I'm happy to do either.

17 Q. So let me show you -- I mean, well, let me just ask you
18 quick. Do you remember the damages period for any of the
19 three classes of products that you put your opinion in on?

20 A. Yes.

21 Q. Okay. Well, what -- what are the others?

22 A. The DDR5 is -- it's March of 2021, and HBM is May of
23 2021.

24 Q. No. Let me see if I can find your chart. Okay. Let's
25 try it with this.

1 And it matters when the damages period is. Right, Mr.
2 Kennedy.

3 A. Yes, yes.

4 Q. Right. You don't want to pay for your hunting lease for
5 years you're not going to be there. Right?

6 A. That's correct, yes.

7 Q. You've been called to Africa, it would be silly for you
8 to pay for a lease when you're not there. Right?

9 A. Yes, that's correct.

10 Q. So if you see here your exhibit for B to C, which is
11 DDR4 --

12 A. Yes.

13 Q. -- after December 2021 going forward. Right?

14 A. Yes, that's correct.

15 Q. Not July 2020. Right?

16 A. That's correct.

17 Q. It's not March of 2021. Right?

18 A. Yes, that's correct.

19 Q. So for DDR4, the damages begin when we have to start
20 paying you at 12/21. Right?

21 A. That's correct.

22 Q. And that runs through the present day. Fair?

23 A. Yes.

24 Q. That's through the present. What about DDR5? What does
25 your chart say about when damages began then for DDR5?

1 A. In -- at December 20th, 2021, forward.

2 Q. Okay. So 12/21, and that again to the present. Right?

3 A. Yes.

4 Q. All right. And when did the damages begin for HBM.

5 A. So from May 3rd, 2022 forward.

6 Q. All right. So 5/22 to the present. Right?

7 A. Yes.

8 Q. So we've had about, oh, call it 14 months for DDR4 and
9 DDR5? Is that right?

10 A. That's correct, yes.

11 Q. And then we have about, oh, just shy of a year, maybe 11
12 months, for HBM.

13 A. Yes, that's correct.

14 Q. All right. Now, can we kind of come up with a round
15 number just so I can use one time period? So 7, 18, and 11,
16 you know, call it 16 months? Does that sound about right?

17 A. Sure.

18 Q. Okay. So is there another number you prefer?

19 A. No. That's fine for --

20 Q. All right. So 16 months?

21 A. -- this purpose.

22 Q. All right. So that's what you say is the capture period
23 for damages in this case. Right?

24 A. Yes. That's the damages period. The hypothetical
25 negotiations were the other dates. But I think we -- the

1 Court has instructed which date to use for damages, and that
2 is correct.

3 Q. And that's important. Right? Because we didn't -- we
4 didn't lease the land until these dates. Right?

5 A. That's right.

6 Q. Okay. So we're going to -- you're only going to give an
7 opinion that Samsung owes money for those dates. Right?

8 A. That's correct.

9 Q. Okay. Now, let's take that, that's -- and you say
10 that's -- I'm sorry, \$440.2 million. Right?

11 A. Yes.

12 Q. And you accountants write million as two Ms. Is that
13 right?

14 A. That's right.

15 Q. Why do you do that?

16 A. I'm not sure. It's been that way since I've been in
17 college, since I was in college.

18 Q. Million still only has one M in it. Right?

19 A. I know it. But if you put one M, people understand that
20 as a thousand, so -- I didn't come up with it.

21 Q. All right. Now, I'd like you to do something for the
22 jury and do a comparison. Would that be okay?

23 A. Sure.

24 Q. All right. So let's see. Let's start with your number.
25 Okay? I'm just going to put a big K here as that's your

1 number. And your number is \$404.2 million. Isn't that right?

2 A. Correct.

3 Q. And that was for 16 months. You want to round that up so
4 I can call it a year-and-a-half, 18 months, 1.5 years?

5 A. Okay.

6 Q. 1.5 years. All right. That's your opinion. Right, sir?

7 A. Yes.

8 Q. Okay. Now, the JDLA, that's another agreement in this
9 case. Right?

10 A. Yes.

11 Q. And that was -- the total money in that case that was
12 paid was \$8 million. Right?

13 A. The total cash -- the cash, yes.

14 Q. The cash--\$8 million. Right?

15 A. Yes.

16 Q. Okay. And how long was the JDLA in force?

17 A. How long was it supposed to be in force or over time
18 or --

19 Q. Just in fact, it was five years, wasn't it? It was from
20 2015 --

21 A. Yes, until it was terminated.

22 Q. -- until 2020. That was about five years. Right?

23 A. Yes.

24 Q. And then we have the hynix agreement. You talked about
25 that one. Right?

1 A. Yes.

2 Q. And that was \$40 million. Right?

3 A. Yes.

4 Q. And how many years has that been in force?

5 A. Five years.

6 Q. Five years? Well, it started in 2021. Right?

7 A. Oh, it was for a five-year period.

8 Q. It started in 2021.

9 A. Yeah.

10 Q. But there was a funny thing in the hynix agreement. It
11 had a release in it. Tell us what a release is.

12 A. When you release somebody from an obligation, I guess.
13 It's a legal term, but that would be a way to think about it.

14 Q. That meant that it kind of took care of some past years.
15 Right?

16 A. Yes.

17 Q. So there are a few years maybe before 2021 that were
18 swept in there, but we can start at 2021. Is that all right?

19 A. Sure.

20 Q. Okay. So 2021 to 2026. Isn't that right?

21 A. Yes.

22 Q. So that's another five years. And then we have Rambus.
23 Talked a lot about that one. Do you remember that?

24 A. Yes.

25 Q. And how much did you say was attached to Rambus?

1 A. I'm sorry? What was your question?

2 Q. How much did you say that was paid for the Rambus
3 license?

4 A. Well, it was up to \$1.1 billion. I don't know what
5 the -- how much had actually been paid at that point in time.

6 Q. You gave us two numbers. You said it's between 690 and
7 1.1 billion. Right?

8 A. That's correct. That's what the agreement called for
9 potentially over time when they agreed to it.

10 Q. So 690 to 1.1 billion. Right?

11 A. Yes.

12 Q. And how many years was that Rambus agreement? How many
13 years did that lease go on for?

14 A. I believe it was the -- well, I'm -- I'm not certain.
15 The license agreement itself would have been for the life of
16 the patents.

17 Q. Okay. So that could be 20 years?

18 A. For some patents, yes.

19 Q. It could be more than 20 for others? So the short answer
20 is, you don't know how long the Rambus license is going to go
21 on for. Right?

22 A. Yes. There's no -- as the patents expire, coverage would
23 expire or benefits would expire.

24 Q. Well, we know that it was signed in 2010. Right?

25 A. Correct.

1 Q. And it's going -- it's at least in force now. That's
2 been 13 years. Right?

3 A. Yes.

4 Q. And it's going to go on for an indeterminate number of
5 years into the future. Right?

6 A. Yes.

7 Q. So it's at least 13. I'm going to put present. And
8 that's -- I'm going to write 13-plus. Right?

9 A. Okay.

10 Q. So what we've got and the evidence that this jury is
11 going to be presented with is we have your analysis that \$404
12 million should be paid for a lease of 1.5 years. Right?

13 A. Yes.

14 Q. The JDLA was an \$8 million cash payment for a five-year
15 lease. Right?

16 A. Yeah. I wouldn't agree with that characterization that
17 the 8 million paid for the five-year --

18 Q. That was the cash. Right, Mr. Kennedy?

19 A. That was the cash, yes.

20 Q. Hynix, the cash was 40 million for a five-year lease.
21 Right?

22 A. That was part of the payment -- part of the
23 consideration, yes, 40 million.

24 Q. And Rambus you said is somewhere between 690 and 1.1
25 billion, but that's for a 13-year lease and counting. Right?

1 A. Yes.

2 Q. Okay. But there's another aspect to this. How many
3 patents are in your -- your lease?

4 A. Five.

5 Q. Five. So I don't know. I'm out of room. Five patents.
6 How many patents with the JDLA?

7 A. Well, the cross license, so it would have been --

8 Q. Well, let me rephrase it then. How many patents did
9 Samsung give Netlist money to license Netlist patents?

10 A. I'm sorry. Ask that question again, please?

11 Q. How many patents -- Netlist patents did Samsung license
12 in the JDLA?

13 A. They received coverage on the portfolio.

14 Q. And was that 87 patents?

15 A. Approximately, yes. I believe that's correct.

16 Q. 87 patents. For hynix, how many patents -- how many
17 Netlist patents did hynix receive rights to?

18 A. The portfolio.

19 Q. Was that about 120 patents at the time?

20 A. Yes.

21 Q. All right. And for Rambus, how many patents did Samsung
22 receive rights to under the Rambus license?

23 A. I believe Rambus had -- I'm not sure of the exact number.

24 Q. Something like more than 2,000?

25 A. That -- yes, I believe so.

1 Q. So when we're out there shopping for leases, what is
2 supposed to happen in the hypothetical negotiation is we look
3 at what other landowners in the area are charging for their
4 acreage. Right?

5 A. For leases? Yes, sure. Well, depending on the
6 difference in the land. Some land is better hunting than
7 others.

8 Q. Some people think they got the best in the whole world
9 and some don't. But basically if you're in the same county,
10 you're probably going to pay about the same for a lease.
11 Right?

12 A. Yeah. With the hunting lease, I couldn't say. It would
13 depend on whether it was swamp or timber or combination or
14 crops.

15 Q. Well, one thing we know is that for your lease, your
16 five-patent lease for only 1.5 years, it was only 404 million.
17 Right?

18 A. Yes.

19 Q. For the JDLA lease, it was \$8 million for five years for
20 87 patents. Right?

21 A. Yes. Again, the qualification of your identifying the
22 engineering payment, not the other aspects of the agreement.

23 Q. Okay. But the cash payment made under the JDLA was \$8
24 million. Right, sir?

25 A. Cash, yes.

1 As to the issue of the starting date for damages for the
2 '054 Patent, the Court grants JMOL that the damages period for
3 the '054 Patent will not be prior to January the 25th, 2022.

4 With regard to the issue of foundry products, Plaintiff's
5 counsel is correct that where claims and defenses are
6 typically abandoned or jettisoned in advance of the trial, the
7 Court's practice is not to rule on those substantively, but in
8 this case the foundry products issue was litigated throughout
9 the pretrial process. At the conclusion of the pretrial
10 process, it was made clear to the Court that the parties
11 intended it to be a part of the trial on the merits before the
12 jury. It's that reason that the Court invited both sides to
13 submit suggested instructions for it to consider in its
14 preliminary jury instructions regarding the JDLA, its
15 termination date, and the issue of foundry products as being
16 excluded from the license provisions of the JDLA.

17 With regard to the foundry products issue under the JDLA,
18 notwithstanding what happened after the jury was impaneled and
19 the evidence began, this was a live issue that had not been
20 abandoned or narrowed through the impaneling of the jury and
21 the beginning of the trial. Therefore, I am going to rule on
22 the foundry products issue and I'm going to grant JMOL that
23 there is no infringement prior to the July 15th, 2021, date
24 with the termination of the JDLA with regard to foundry
25 products or anything else prior to that time. July 15th,

1 MR. SHEASBY: May it please this Honorable Court.

2 Good morning, ladies and gentlemen of this jury. I want
3 to thank you again for your service. I am acutely aware that
4 it is a financial and personal sacrifice to do what you have
5 done, but I hope that you can understand how incredibly
6 important, incredibly important, this case is to Netlist.

7 Netlist was founded in 2000 in Orange County, and the
8 goal and vision of Netlist was to create American innovation
9 in the memory module space. And today there are 120 employees
10 who are dedicated to that goal.

11 Samsung Electronics, you heard from Samsung's corporate
12 representative, is the largest memory company in the world.
13 He spoke about \$19 billion in research and development they
14 spend each year. He spoke about 12,000 patents they hold.
15 And yet they came to Netlist, a small company in Orange County
16 in California and asked for a technical collaboration.

17 And they did this, and it was candidly admitted under
18 oath, because they wanted to access our patents and because
19 they wanted our skill in joint development.

20 The reason why they wanted to access our patents is that,
21 although Samsung is innovative in many, many spaces, as it
22 relates to these particular products, the innovation was
23 created by Netlist.

24 These are not my words; these are the admissions of
25 Samsung's corporate representatives. For DDR4, for DDR5, for

1 HBM, not a single Samsung patent covers the products at issue
2 here. And the reason for that is because the patents that are
3 used in these products are Netlist patents.

4 And as the Court said, Samsung no longer has a license,
5 no longer has a right to use the patents in this case, and
6 it's in this forum, a federal court, that the consequences of
7 its actions will be determined.

8 The first issue you'll be asked to decide is
9 infringement. Infringement is an issue on which Netlist bears
10 the burden, and it's preponderance of the evidence. And what
11 that means is that if one pebble, just one pebble more weighs
12 in favor of Netlist, you're required by law to find that
13 Samsung infringes. That's what preponderance of the evidence
14 means.

15 The first family of patents is the '918 and the '054
16 Patents, and Doctor Mangione-Smith spoke about those.

17 Doctor Mangione-Smith, could you please stand and be
18 acknowledged? Thank you very much, sir.

19 The products that accuse the '918 and '054 Patents are
20 called the DDR5 products with on-module power management.

21 I am putting in the corners of each of the exhibits the
22 exhibit numbers. You can ask for exhibit numbers in your
23 deliberations. And so if someone has a question or you have a
24 question, you'll be able to respond to them and say, we can
25 look at this exhibit.

1 MR. SHEASBY: Can I have slide 1.132, please?

2 Counsel for Defendants asked where the invention story
3 was, that Netlist is nothing, that these are faked patents
4 created by patent attorneys.

5 The invention story is in Samsung's own documents. In
6 2019, 1756, a unique proprietary know-how that they wanted to
7 access. Two years before they launched their infringing DDR5,
8 they came to us and asked us how to design DDR5 on-module
9 power management. This is PX 586. They conceded that we're
10 the company that created the LRDIMM technology. Where is the
11 invention story? The invention story is admitted in Samsung's
12 own documents.

13 We're here for one reason and one reason only, and it's
14 admitted in the last line of 1756, because Samsung refuses to
15 and will not pay for its use and infringement of these
16 patents.

17 Patents are not pathetic. Mr. Milton is not a liar.
18 What was created here was coveted by Samsung.

19 Let's go to 1.7.

20 We are here because Samsung is violating the law. They
21 spoke about flying 7,000 miles or 6,000 miles. He flew 6,000
22 miles to tell us that they needed access to our patents and to
23 not say one explanation for why they don't infringe. It
24 doesn't matter what country you are from; in this country, you
25 follow the law.